

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to \$100,000

NCUA

*National Credit Union Administration
a U.S. Government Agency*

FINANCIAL HIGHLIGHTS FEBRUARY 28, 2005

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
February 28, 2005

Balance Sheet:

Due from Credit Unions — of \$1.3 million represents the remaining amount of one percent deposit adjustments due from credit unions on October 18, 2004. All amounts due were received in early March 2005.

Prepaid & Deferred Charges — is \$1.3 for February. \$7.0 million was transferred to the operating fund to cover 57% of the agency's operating costs. February's actual operating costs were \$5.7 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

Accounts Payable: Other — decreased due to payment of upfront cash that had been accrued for an assisted merger.

NCUSIF Equity — is 1.27% for February. The equity ratio is based upon an insured share base of \$500.0 billion for December 31, 2004.

Statement of Revenue and Expense:

NCUSIF Total Operating Expense — of \$5.8 million includes \$83.9 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
FEBRUARY 28, 2005

ASSETS	FEBRUARY 2004	JANUARY 2005	FEBRUARY 2005
Investments:			
U.S. Government Securities	\$6,077,677,009.97	\$6,353,397,754.15	\$6,367,643,698.78
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	6,488.95	1,320,404.24	1,320,404.24
Loans due to NCUSIF	1,501,419.24	4,495,917.94	4,495,917.94
Recoveries from Liq. CU	12,030,492.07	14,641,201.10	13,931,443.65
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Total Other Receivables	13,538,400.26	20,457,523.28	19,747,765.83
Cash	4,918.80	5,487.16	5,891.23
Interest Receivable	47,429,268.10	45,770,678.62	36,028,630.04
Prepaid & Deferred Charges	1,482,832.42	1,684,378.16	1,297,202.51
Leased Assets	861,700.44	481,748.60	447,570.10
Other	26,263,326.79	25,033,034.10	24,921,189.31
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TOTAL ASSETS	\$6,167,257,456.78	\$6,446,830,604.07	\$6,450,091,947.80
	=====	=====	=====
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$7,755,903.08	\$15,505,424.78	\$14,847,513.18
Other	11,348.76	1,084,691.41	986.66
Check Clearing Accounts	2,694.47	0.00	0.00
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	7,769,946.31	16,590,116.19	14,848,499.84
Provision for CU Losses (Reserves)	78,327,441.14	64,832,107.75	64,519,084.48
Lease Liabilities	832,759.04	419,494.06	420,060.31
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TOTAL LIABILITIES	\$86,930,146.49	\$81,841,718.00	\$79,787,644.63 1/
EQUITY			
CU Contributed Capital	\$4,703,841,010.43	\$4,942,627,448.04	\$4,942,627,448.04
Retained Earnings	1,376,486,299.86	1,422,361,438.03	1,427,676,855.13
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TOTAL EQUITY	\$6,080,327,310.29	\$6,364,988,886.07	\$6,370,304,303.17
TOTAL LIABILITIES & EQUITY	\$6,167,257,456.78	\$6,446,830,604.07	\$6,450,091,947.80
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending February 28, 2005

	FEB 04	JAN 05	FEB 05
1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, and \$691 thousand in outstanding line of credit guarantees.			
1. Investments/Total Assets	98.55%	98.55%	98.72%
2. Total Equity/Insured Shares	1.27%	1.27%	1.27%
3. Prov. for Losses/CU Capital	1.67%	1.31%	1.31%
4. Non-Earning/Total Assets	1.03%	1.06%	0.89%
5. Available Asset Ratio	1.26%	1.25%	1.25%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING FEBRUARY 28, 2005

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2005	CY TO DATE BUDGETED 2005	CY TO DATE 2004
Investment Income	\$11,051,084.37	\$11,500,000.00	\$22,380,858.81	\$23,000,000.00	\$19,762,934.22
Other Income	41,099.43	44,000.00	83,830.15	88,000.00	90,998.74
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Total Income	11,092,183.80	11,544,000.00	22,464,688.96	23,088,000.00	19,853,932.96
EXPENSE					
Employee Pay	3,507,787.83	3,924,261.13	\$7,250,338.65	8,040,972.86	7,825,363.40
Employee Benefits	948,668.79	1,016,502.79	\$1,880,830.37	2,081,273.93	1,973,944.08
Employee Travel	385,577.49	608,897.60	\$490,829.52	1,217,795.20	483,139.41
Rent/Communications/Utilities	177,962.49	186,679.74	\$273,382.64	373,359.49	390,747.28
Administrative Costs	476,256.64	498,672.47	\$866,008.96	997,344.93	1,160,354.59
Contracted Services	196,609.87	393,604.84	\$97,275.64	787,209.69	146,455.74
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Subtotal NCUA Operating Exp.	5,692,863.11	6,628,618.58	10,858,665.78	13,497,956.10	11,980,004.50
AMAC Expense	8.88	1,589.33	9.54	3,178.66	14,924.20
Training Expense	45,737.10	90,000.00	20,000.76	180,000.00	89,885.56
Leasing Expense	34,744.75	35,000.00	69,902.44	70,000.00	71,073.80
Other Insurance Expense	3,412.86	3,500.00	3,512.86	7,000.00	5,898.67
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Total Operating Exp.	5,776,766.70	6,758,707.91	10,952,091.38	13,758,134.76	12,161,786.73
Insurance Loss	0.00	1,500,000.00	0.00	3,000,000.00	0.00
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Total Expense	5,776,766.70	8,258,707.91	10,952,091.38	16,758,134.76	12,161,786.73
NET INCOME	\$5,315,417.10	\$3,285,292.09	\$11,512,597.58	\$6,329,865.24	\$7,692,146.23
	=====	=====	=====	=====	=====
Retained Earnings, Beginning of Year			\$1,416,164,257.55		\$1,368,794,153.63
Prior Year Adjustment			0.00		0.00
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As Restated			1,416,164,257.55		1,368,794,153.63
Net Income			11,512,597.58		7,692,146.23
			-----		-----
			1,427,676,855.13		1,376,486,299.86
Dividends			0.00		0.00
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Retained Earnings, End of Year			\$1,427,676,855.13		\$1,376,486,299.86
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Comparative Analysis of NCUSIF Ratios for February 28, 2005

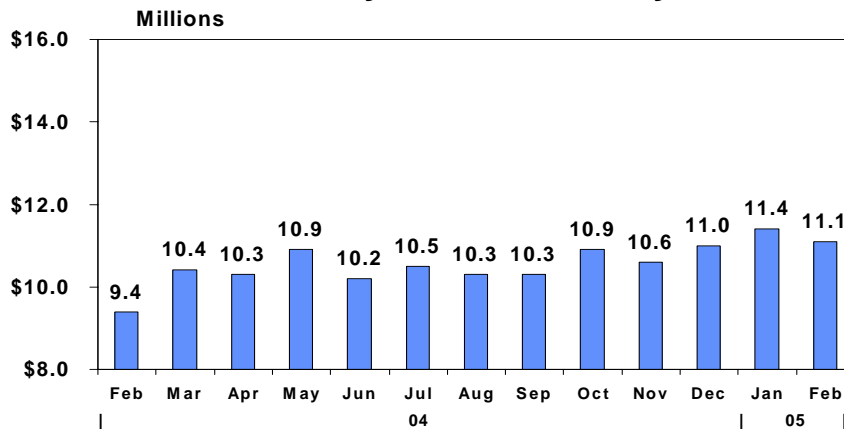
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	45.51%	52.08%	61.26%	48.75%
2. Ins. Loss/Total Income	0.00%	0.00%	0.00%	0.00%
3. Total Exp./Total Income	45.51%	52.08%	61.26%	48.75%
4. Net Income/Total Income	54.49%	47.92%	38.74%	51.25%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
February 28, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$24,598,196.61
Other income received	83,830.15
Cash paid for operating expenses	(13,479,204.42)
Net cash (paid) received for insurance losses	<u>(1,157,700.31)</u>
Net cash provided by operating activities	10,045,122.03
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(9,989,926.01)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>223,689.58</u>
Net cash provided by (used in) investing activities	(9,766,236.43)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	(278,397.38)
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	(278,397.38)
NET INCREASE (DECREASE) IN CASH	488.22
CASH, BEGINNING OF YEAR	5,403.01
CASH, ENDING FEBRUARY 28, 2005	<u><u>\$5,891.23</u></u>

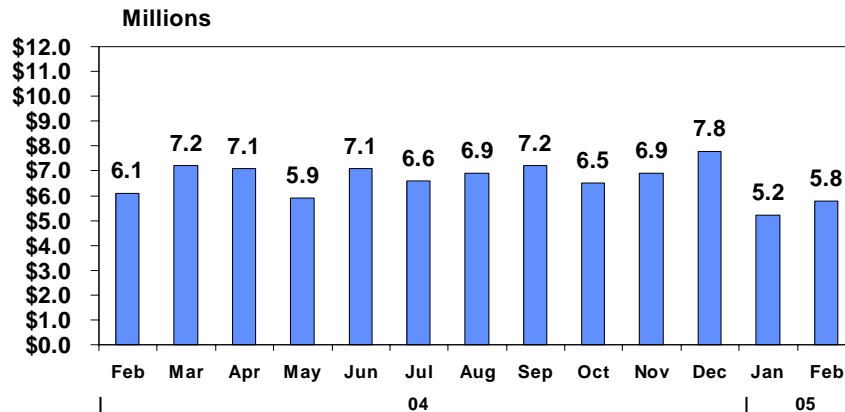
GROSS INCOME

February 04 – February 05



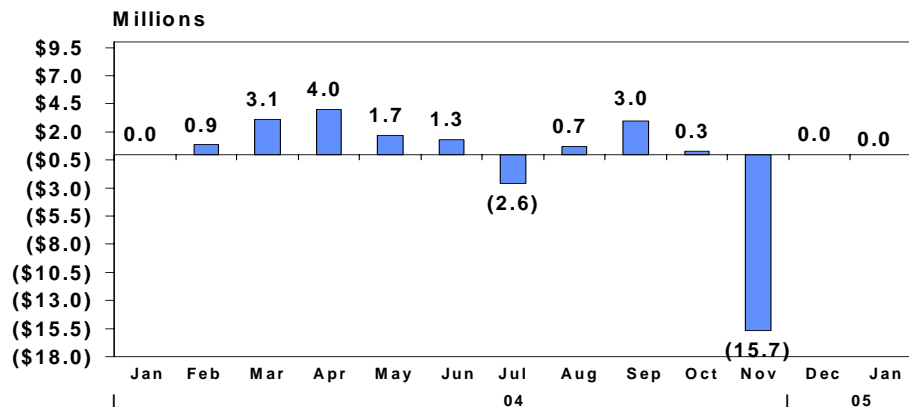
OPERATING EXPENSE

February 04 – February 05



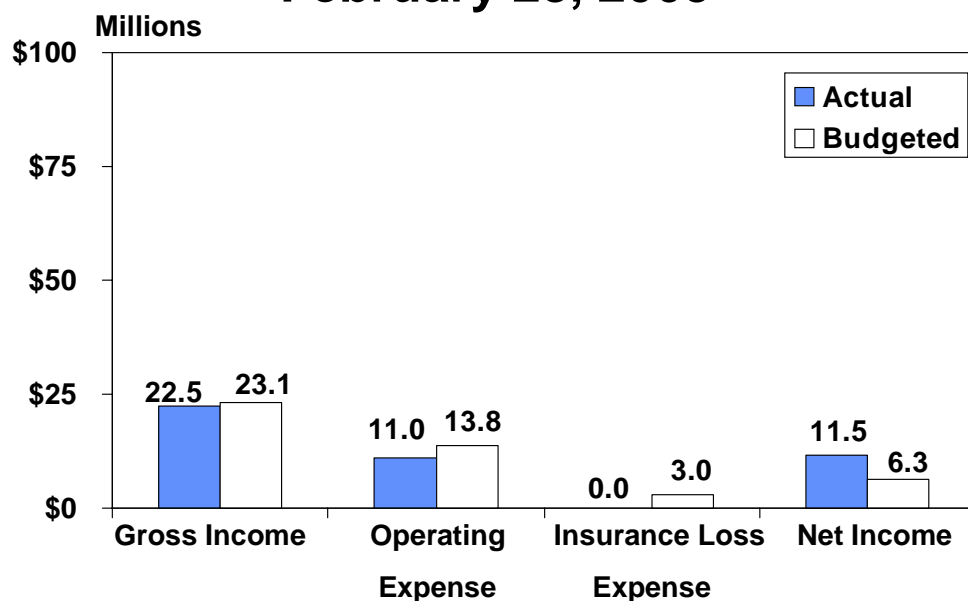
INSURANCE LOSS EXPENSE

February 04 – February 05



REVENUE AND EXPENSE

February 28, 2005



NCUSIF EQUITY RATIO

February 28, 2005

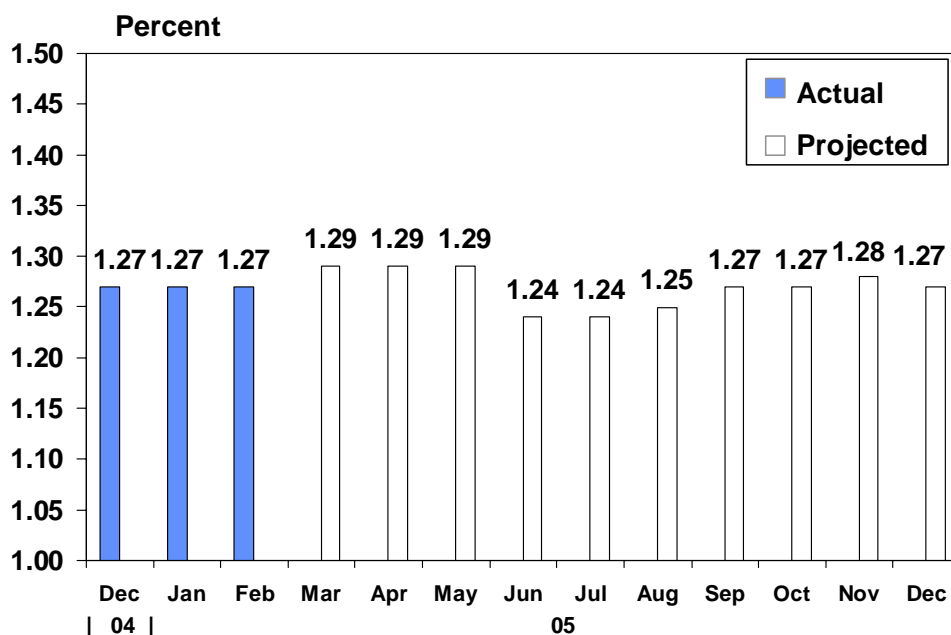


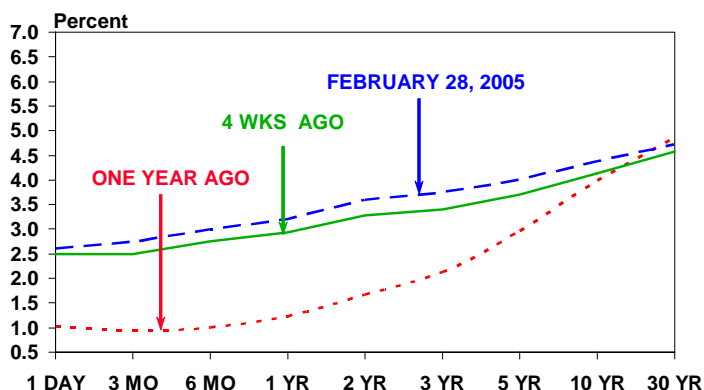
TABLE 4

INVESTMENT PORTFOLIO SUMMARY

February 28, 2005

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,295,257,000	\$1,295,257,000	\$0	100.0%	2.49%
U.S. Treasury Notes	\$5,072,386,699	\$5,013,687,500	(\$58,699,199)	98.8%	2.25%
TOTAL	\$6,367,643,699	\$6,308,944,500	(\$58,699,199)	99.1%	2.31%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY04 Projections	
Investment Yield	2.10%	2.27%	2.15%	2.75%	
Investment Income	\$11,329,779	\$11,051,084	\$22,380,859	138 Million	
Income Budgeted	\$11,500,000	\$11,500,000	\$23,000,000	138 Million	
Income/Budgeted Ratio	98.5%	96.1%	97.3%	100.00%	
Weighted Avg. Maturity in Days	298	382			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
2/15/2005	Treasury Note	100,000,000	3/31/2006	3.12%	
2/15/2005	Treasury Note	100,000,000	7/15/2006	3.21%	
2/15/2005	Treasury Note	200,000,000	9/30/2006	3.29%	
2/15/2005	Treasury Note	100,000,000	10/31/2006	3.30%	
2/15/2005	Treasury Note	200,000,000	12/31/2006	3.34%	
2/15/2005	Treasury Note	200,000,000	1/31/2007	3.33%	
2/15/2005	Treasury Note	100,000,000	2/15/2008	3.48%	
TOTAL		\$1,000,000,000			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	1,895.3				
3 months - 1 year	1,200.0				
1 year - 2 years	2,400.0				
2 years - 3 years	800.0				
3 years - 4 years	0.0				
TOTAL	\$6,295.3				

TREASURY YIELD CURVE



MATURITY SCHEDULE

February 28, 2005

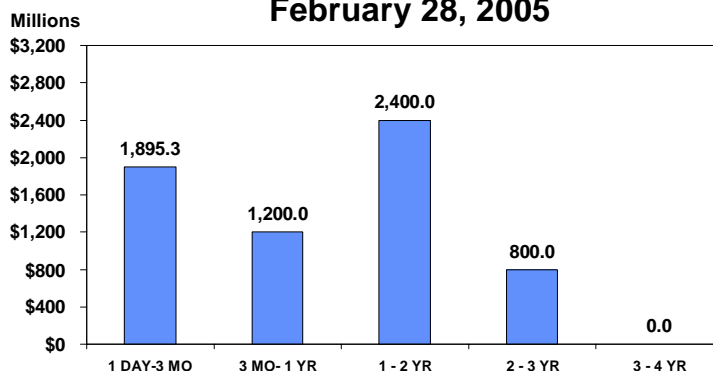


TABLE 5

MONTHLY YIELD COMPARISONS**February 28, 2005**

YIELD COMPARISONS								
	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05
NCUSIF Yield	1.97%	1.92%	2.00%	2.00%	2.00%	2.01%	2.10%	2.27%
90 day T-Bill	1.40%	1.59%	1.70%	1.89%	2.21%	2.22%	2.50%	2.74%
1 year T-Bill	2.02%	1.96%	2.20%	2.28%	2.61%	2.75%	2.94%	3.19%
2 year T-Note	2.64%	2.37%	2.64%	2.57%	2.99%	3.08%	3.28%	3.58%
30 year T-Note	5.19%	4.91%	4.92%	4.81%	5.00%	4.84%	4.57%	4.72%

YIELD COMPARISONS

FEBRUARY 28, 2005

